

POLICY ISSUE

No: 1

Policy Question

1. Should contributions to the thrift plan be in the form of percentages or dollar amounts?
2. If contributions are made on a percentage basis, should they be:
  - a. full percentages or fractional percentages and
  - b. based on actual biweekly base pay or regular biweekly base pay per the salary schedule?

Working Group Recommendation

The working group recommends that contributions be made as percentages (to the nearest one-hundreth of a percent) of the actual biweekly base pay.

Rationale

Percentages would simplify the programming requirements of payroll's system. Actual dollar figures would cause problems when factors such as LWOP are involved. If an employee wanted to specify a dollar amount, it could be converted by the employee (or Thrift Plan component) to a percentage figure. By using actual biweekly base pay, instances of overpayment could be prevented.

Note: At a future date a decision will need to be made on how to handle fractions of cents within the system.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 2

Policy Question

Should the Agency Provide for repayment of thrift plan loans by means of payroll deductions?

Working Group Recommendation

The Working Group recommends that employees be allowed to repay thrift plan loans through payroll deductions. (This would not preclude payment by other means).

Rationale

The Credit Union currently provides for repayment of loans through payroll deductions. The Public Service Aid Society is requesting that this method of repayment be extended to loans made by them, as well. The advantages of this method, namely a set schedule for repayment and the removal of "bill collecting" responsibilities from the plans' administrators, would be equally applicable to the thrift plan.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 3

Policy Question

Should OP make the final computation of the annuity benefit and then send the figure to OF for payment?

Working Group Recommendation

The Working Group recommends that OP be given the responsibility for making final computations.

Rationale

If OP computes estimates and then OF makes the final computation, there would be an unnecessary duplication of effort. The accuracy of OP's computations could be tested through double checks or spot checks within that Office.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

4

Policy Question

Does the term "basic pay," when used to compute the annuity supplement, have the same meaning as the "basic pay" used to compute a CSRS benefit?

Working Group Recommendation

The Working Group members agree that the "basic pay" used to compute the annuity supplement is the same "basic pay" that is used to compute a CSRS benefit.

Rationale

Although the annuity supplement is based on Social Security formulas, and the Social Security Administration uses FICA wages to compute benefits, "basic pay" for the annuity supplement formula is not equivalent to FICA wages. See sections 8421(b) (2) (A) and 8401 (4) of the FERS legislation.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 5

Policy Question

Should OP establish a paper thrift plan file for each participant?

Working Group Recommendation

The Working Group recommends that a paper file be established by OP for each participant to supplement the automated record.

Rationale

A file is needed to hold hard copies of the election forms, divorce decrees (in order to provide appropriate entitlements to former spouses), and any other pertinent documents. Since the FERS Act gives the Executive Director of the Thrift Board the responsibility for reviewing divorce decrees and enforcing former spouse entitlements the Agency will be assuming this responsibility for its employees and will need a place to store the court orders.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 6

Policy Question

When will OP bring into the Agency records that OPM currently holds on some of our employees, such as transferees?

Working Group Recommendation

The Working Group recommends that OP bring in the records now at OPM on overt employees, but wait until retirement before obtaining records on covert employees.

Rationale

It would be better to surface the names of overt employees at OPM now, rather than waiting until a later date at which time they may then be undercover. For covert employees, however, it would be better to wait until retirement before surfacing their names at OPM.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 7

Policy Question

Should employees who were once designated as CIARDS participants and then resigned and later returned be automatically redesignated into CIARDS?

Working Group Recommendation

The Working Group recommends that these employees be automatically redesignated into CIARDS by means of a personnel action initiated by the component personnel officer, provided that applicable service agreements are signed.

Rationale

These employees, in addition to being vested in the current retirement system due to at least five years of federal service, would already have the qualifying service required under CIARDS. They have earned the right to earlier retirement and a higher accrual rate. The CIARDS Board meets monthly to make a designation based on overseas service or to recommend a designation based on domestic service. To require a new designation could result in unnecessary delay as well as a duplicate expenditure of resources.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 8

Policy Question

Should the CIARDS Board also administer designation into the FERS CIA Special Category?

Working Group Recommendation

The Working Group recommends that the CIARDS Board also administer designation into the FERS CIA Special Category.

Rationale

Because the criteria for designation into the FERS CIA Special Category is identical to that for designation into CIARDS, we recommend that the CIARDS Board administer designation into both. This will ensure uniform application of the criteria and will not result in an increased workload for the Board.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date



POLICY ISSUE

No: 9

Policy Question

Should CIARDS participants be allowed to transfer into regular FERS?

Working Group Recommendation

The Working Group recommends that CIARDS participants be restricted from transferring into regular FERS.

Rationale

This type of transfer would enable employees to receive the higher accrual rates under CIARDS for most of their career, while allowing them to circumvent the mandatory retirement age (60). While the FERS Act does not specifically prohibit transfers from CIARDS into regular FERS, we could write such a restriction into our regulations. Such a restriction would seem to be within the intent of Congress, as the FERS CIA Special Category (CIARDS equivalent) also has the mandatory retirement requirement at age 60. Those in CIARDS who wish to transfer should transfer into the FERS CIA Special Category.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date

POLICY ISSUE

No: 10

Policy Question

If an employee performed overseas service under CSRS and then left Federal employment before becoming vested in CSRS, can the overseas service under CSRS be applied to the 5 years of qualifying service required for participation in the FERS CIA Special Category?

Working Group Recommendation

The Working Group recommends that overseas service under CSRS be counted as qualifying service for the FERS CIA Special Category.

Rationale

The definition of "qualifying service" for the FERS CIA Special Category is identical to that for CIARDS. Both systems rely on the criteria outlined in Section 203 of the CIA Retirement Act of 1964 to make a determination of "qualifying service." Therefore, such service should be applicable to both CIARDS and the FERS CIA Special Category.

Policy Group Comments (if any)

Recommendation Approved By:

\_\_\_\_\_  
Policy Group Chairman

\_\_\_\_\_  
Date